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MUR 2314

National Republican Senatorial Committee
James L. Hagen, as treasurer

SENSITIVE

GENERAL COUNSEL'S REPORT

On March 10, 1992, the Commission found probable cause to believe that the National Republican Senatorial Committee ("the NRSC") and James L. Hagen, as treasurer, had violated 2 U.S.C. § 434(b) and 11 C.F.R. § 110.6(d)(2) by failing to report as contributions from itself \$71,627.33 in earmarked contributions transmitted to Jim Santini for Senate through the NRSC's 1986 Direct-To operation, and by failing to report as contributions from the NRSC \$32,575 in earmarked contributions transmitted to Jim Santini for Senate by means of NRSC checks through the committee's Majority '86 operation. The Commission also found probable cause to believe that the NRSC and James L. Hagen, as treasurer, had violated 2 U.S.C. § 434(b) and 11 C.F.R. § 106.1 by failing to report as contributions to Jim Santini for Senate unreimbursed costs related to unsuccessful solicitations for the portion of the NRSC's 1986 Direct-To Auto program which solicited contributions to the Santini campaign, and solicitation costs for the Direct-To and Majority '86 programs related to contributions which were successfully redesignated to the Santini campaign, but not including the unsuccessful costs of general party fundraising in programs where the contributors were called back. Further, the Commission found probable cause to believe that the NRSC and Jim

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Hagen, as treasurer, violated 2 U.S.C. § 441a(h) with respect to the above unreported contributions.

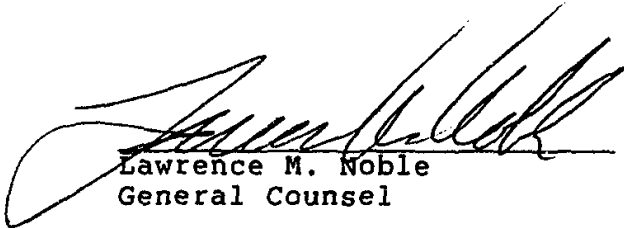
Following the Commission's approval of a proposed conciliation agreement on April 28, 1992, this Office notified counsel of the Commission's determinations by letter dated May 5, 1992.

On June 18, 1992, this Office received from counsel a letter (Attachment 1) in which he cited the recent decision of the United States Court of Appeals for the District of Columbia Circuit in Federal Election Commission v. National Republican Senatorial Committee, No. 91-5176, (D.C. Cir. June 12, 1992) ("FEC v. NRSC") and in which he asked that the Commission either take no further action in MUR 2314 or vacate its probable cause to believe determinations and reinstate the briefing requirements of the Federal Election Campaign Act.

Attached is a supplemental brief which this Office has sent to counsel. In this brief it is recommended that the Commission deny Respondents' requests that the Commission take no further action in this matter or vacate its probable cause determinations.

Date

8/14/92


Lawrence M. Noble
General Counsel

Attachments

1. Letter from counsel
2. Supplemental Brief